

HB 1779 -- TAX INCREMENT FINANCING FOR REDEVELOPMENT OF CERTAIN  
AREAS AFFECTED BY A NATURAL DISASTER

SPONSOR: Flanigan

COMMITTEE ACTION: Voted "do pass" by the Committee on Economic  
Development by a vote of 20 to 1.

This bill authorizes tax increment financing in any blighted area that has sustained severe damage as the result of a natural disaster. The area must be within a municipality for which public and individual assistance has been requested by the President under Section 401 of the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act. The municipality must adopt an ordinance approving the redevelopment project within two years after the President declares the disaster.

Beginning August 28, 2012, in addition to the payments in lieu of taxes and economic activity taxes resulting from a municipality authorizing tax increment financing, up to 50% of the incremental increase in the general revenue portion of the state sales tax revenues collected with specified exclusions and the state income taxes withheld on behalf of employees at businesses located within the project area can be made available for appropriation by the General Assembly to areas with a redevelopment project approved by the Department of Economic Development. All designated state moneys collected from the approved redevelopment area will be deposited into the newly created Missouri Supplemental Disaster Recovery Fund. A separate subaccount must be established within the fund for each approved redevelopment project.

The bill contains an emergency clause.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of \$0 to Unknown in FY 2013, FY 2014, and FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that the bill will provide an important tool to rebuild the numerous areas of Missouri that were hit by natural disasters. Areas allowed to use the tax increment financing must have been declared a disaster area by the federal government.

Testifying for the bill were Representative Flanigan; Brian Head, City of Joplin; Jim Foley; and Dr. C.J. Huff, Superintendent of Joplin Schools.

OPPONENTS: There was no opposition voiced to the committee.